

TENNESSEE REGULATORY AUTHORITY

Sara Kyle, Chairman
Lynn Greer, Director
Melvin Malone, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

February 1, 2001

TRANSMITTED VIA FAX

(202) 721-0995 / ORIGINAL TO FOLLOW VIA U.S. MAIL

Mr. Kevin Palmoski
XO Long Distance Services, Inc.
Suite 1000
1730 Rhode Island Ave., NW
Washington, DC 20036

RE: XO Long Distance Services, Inc. (Docket No. 00-00068)

Dear Mr. Palmoski:

The Tennessee Regulatory Authority requests the following information regarding the application of XO Long Distance Services, Inc. (hereafter "XO" or "Applicant") for a certificate of public convenience and necessity to provide facilities based and resold interexchange telecommunications services throughout the State of Tennessee pursuant to TCA §65-4-201.

Administrative Requirements:

Please provide an organizational chart of the corporate structure of XO and its affiliates.

Technical Requirements:

Please provide the following technical information of the applicant:

1. Repair and Maintenance:
 - a) Ensure that customer service will meet the needs of the customer.
 - b) Phone number for repair and maintenance (customer service).
 - c) Address for written communication of repair and maintenance.
 - d) Name and address of Tennessee contact person responsible for and knowledgeable about providers operations.

Financial Requirements: (2nd Request)

Please provide the following financial information of the applicant:

1. Estimated cost of network, switches, and unbundled network elements (UNEs).
2. Most *current* audited, if possible, financial statements (including the balance sheet, income statement, and statement of cash flows).
3. Three year projected financial statements (including balance sheet, income statement and statement of cash flows).

4. Three year capital expenditures budget (including equipment to be deployed; cost of the equipment; and sources of funding the Tennessee network, equipment, UNEs: cash, loan commitments, vendor credits, letters of credit, etc. with complete detail).
5. Please quantify amounts included in the financial statements and projections relating to reciprocal compensation for terminating ISP traffic.
6. TCA §65-4-125 amendment states that by September 1, 2000, all telecommunications service providers subject to the control and jurisdiction of the authority, except those owners or operators of public telephone service who pay annual inspection and supervision fees pursuant to Tennessee Code Annotated §65-4-301(b), or any telecommunications service provider that owns and operates equipment facilities in Tennessee with a value of more than five million (\$5,000,000), shall file with the Authority a corporate surety bond or irrevocable letter of credit in the amount of twenty thousand dollars (\$20,000) to secure the payment of any monetary sanction imposed in any enforcement proceeding, brought under this title or the Consumer Telemarketing Protection Act of 1990, by or on behalf of the Authority. If the requirement of a bond or irrevocable letter of credit is not applicable, please provide a statement regarding the Company has at least of facilities in the State of Tennessee.

Miscellaneous Requirements: (2nd Request)

1. Notarized pre-filed testimony is required for CLEC applicants. The testimony should describe the services to be provided, the applicant's technical, managerial and financial abilities to provide the services and affirm that all information submitted is true and correct.
2. Provide information concerning XO's involvement in any pertinent mergers, acquisitions, etc.
3. Are customer deposits required? If so, what is the amount required? Is the applicant bonded for the amount of the deposits?

Please provide the requested information by February 15, 2001. If your office has any questions regarding this data request, please contact the TRA at (615)741-2904 (ext. 132).

Sincerely,



David Waddell
Executive Secretary

C: Docket File